

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER 02-17	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT a. FFY 02 \$(1,875,000) b. FFY 03 \$(7,501,000)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Pages 33, 35, 41	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B Pages 33, 35, 41

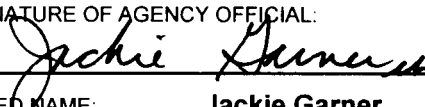
10. SUBJECT OF AMENDMENT:

Physician/School-based clinic/Durable Medical Equipment and Supplies

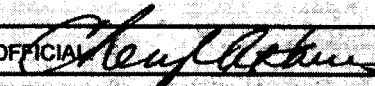
11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: ILLINOIS DEPARTMENT OF PUBLIC AID 201 SOUTH GRAND AVENUE, EAST SPRINGFIELD, IL. 62763-0001 ATTENTION: John Rupcich
13. TYPED NAME: Jackie Garner	
14. TITLE: DIRECTOR	
15. DATE SUBMITTED	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 8/16/02	18. DATE APPROVED: 9/19/02
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

Attachment 4.19-B
Page 33State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

5. OVER-THE-COUNTER DRUGS: Lesser of the usual and customary charge to the general public or the Wholesale cost plus up to 50 percent.
6. OTHER LABORATORY AND X-RAY SERVICES: Lesser of the usual and customary charge to the general public or statewide maximums established by the Department not to exceed the upper limits specified in Federal regulations.
7. PHYSICIAN'S SERVICES: Reimbursement for physician services are at the physician's usual and customary charges, not to exceed the maximum established by the Department. Initially, maximum fee-for-service rates were established in 1978 when the Department reviewed the average charges for each of the allowable services. The Department agreed to set the statewide maximum amount at 70 percent of the average charge by physician. Annually the Department analyzes cost information and procedure code utilization of physician bills presented for Medicaid reimbursement of services rendered. The rate maximums are periodically adjusted based upon the above factors.

Providers statewide who meet the participation requirements for the Maternal and Child Health Program or qualify by the exception process receive enhanced reimbursement rates for services provided to pregnant women and children through age 20 who are participants in the MCH Program. The enhanced rates include:

- payment for performing a prenatal risk assessment (\$15);
- payment for performing risk assessments on children (\$15);
- increased reimbursement for deliveries (\$400 additional);
- a \$10 increase in the EPSDT screening rate; and
- an 8 percent increase in the reimbursement rate for office visits for children.

7/02 The rate for services provided on or after July 1, 2002, shall be the rate in effect June 30, 2002, less 2.6 percent.

04/02 Physicians employed by government-operated entities other than hospitals, long term care facilities, and cost-reporting clinics.

For services provided by salaried physicians employed by a government-operated entity that is not a hospital, long term care facility, or cost-reporting clinic, the State or local government agency operating that entity may elect to enter into an interagency or intergovernmental agreement, as appropriate, with the Department that specifies the responsibilities of the two parties with respect to physician services provided by the entity and the funding thereof, including the certification of the expenditure of public funds by the agency in support of such services.

The rate for physician services shall be cost. The cost shall be computed, on a claim by claim basis, as the product of the provider's charge for the service; multiplied by the entity-specific cost-to-charge factor.

The cost-to-charge factor shall be quotient of the difference of:

- a. The government agency's documented expenditures for physician services provided by the entity; less
- b. Any funds derived from a federal funding source; and
- c. Any funds otherwise used a State or local match for other federal funds; divided by the entity's total charges for physician services provided.

The cost-to-charge factor shall be determined annually from charge, expenditure, and reimbursement information certified by the State or local government agency that operated the entity. The certification shall be completed at the end of the agency's fiscal year. It shall be prepared and transmitted in a form and format specified by the Department.

TN# 02-17
Supercedes
TN#02-16

Approval Date SEP 19 2002

Effective Date 07-01-02

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

13. PRIVATE DUTY NURSING SERVICES: Prevailing community rate, subject to Department verification prior to approving charge.
14. INDEPENDENT SPEECH, OCCUPATIONAL AND PHYSICAL THERAPIST SERVICES: Same as 6.
15. HEALTH MAINTENANCE ORGANIZATION SERVICES: Flat monthly rate per enrolled client as established by the Department.
16. APPLIANCES/PROSTHESES: Most reasonable cost for the item which will adequately meet the client's needs. Most reasonable cost is based on the lowest of two or three estimates given prior to purchase.
- 7/02 17. MEDICAL SUPPLIES AND EQUIPMENT: Medical Supplies - Reimbursed at Department's maximum rate (cost plus 50%). Medical Equipment - Lowest price available in the geographic area where the client resides. The rate for services provided on or after July 1, 2002, shall be the rate in effect June 30, 2002, less 6 percent.
18. TRANSPORTATION: Lesser of charges or Department maximum. Ambulance, medicar and service car provides: base rate plus mileage rate; oxygen add-ons may be reimbursed when provided in ambulance or medicars. Commercial carrier transportation is approved on case-by-case basis and reimbursed at the prevailing or a negotiated rate.
19. FAMILY PLANNING: Variable maximum per visit category: initial visit, annual visit, routine visit, problem visit and supply visit.
20. HEALTHY KIDS SERVICES: (Early and Periodic Screening, Diagnosis and Treatment): Variable maximum depending upon provider type: hospital outpatient clinic facility - Department approved outpatient rate; encounter rate clinic - Department approved visit rate; physician visit - Department approved rate(s).
- 10/91 21. REHABILITATIVE SERVICES:

Mental Health Services

- 7/02 a. The amount approved for payment of mental health rehabilitative services shall be based on the type and amount of service required by a client. The amount is determined in accordance with prospective rates developed by the ~~Illinois Department of Mental Health and Developmental Disabilities (DMHDD)~~ Human Services (DHS) or the Department of Children and Family Services (DCFS) and as adopted by the Illinois Department of Public Aid for Medicaid reimbursable services. The rates are prospective without reconciliation. The adopted rate shall not exceed the charges to the general public.

TN # 02-17
Supersedes
TN # 98-14

APPROVAL DATE

SEP 15 2002

EFFECTIVE DATE 07-01-02

Attachment 4.19B

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

- 7/96 a) Available time to provide billable direct care is the remainder of annual direct care staff working hours minus annual direct care staff non-billable hours. Annual direct care staff working hours is the product of: average length of a work day and the remainder of total annual service days for a direct care staff position minus the average number of paid non-work days per year for direct care staff (i.e., vacation, holidays and sick days).
- Annual direct care staff non-billable hours is time necessary for providing direct care but which is not, in itself, a billable activity. It is the product of annual direct care staff working hours and a statewide standard (proportion) of time required for necessary but non-billable activities.
- b) The hourly rates developed for clinic services vary by service, depending upon three additional conditions:
- The staff position that will deliver the actual service (QMHP, MHP, RSA);
 - The ratio of staff to clients in the service; and
 - The service requires staff availability seven days a week, twenty-four hours per day (crisis services).

7/02 School Based/Linked Clinics

Services provided in school based/linked clinics are reimbursed fee for service in accordance with the methods and standards in Attachment 4.19-B. The clinic bills for services provided by the individual practitioner, using the clinic's provider number. The clinic is then reimbursed for services provided. The clinic will be reimbursed at their usual and customary rate or the rate established by the Department, whichever is lower. For example, physician services will be reimbursed as described in Attachment 4.19-B 7 and family planning services as described in 4.19-B 19. The rate for services provided on or after July 1, 2002, shall be the rate in effect June 30, 2002, less 2.6 percent.

Federally qualified health centers located in the school will continue to be reimbursed as FQHCs, in accordance with the methodology described in Attachment 4.19-B 2. The FQHC is not eligible for additional reimbursement as a school based/linked clinic.

TN # 02-17
SUPERCEDES
TN # 98-14

APPROVAL DATE

SEP 19 2002

EFFECTIVE DATE 7-1-02